

WA State Board of Pilotage Commissioners

Industry Update: February 17, 2022 BPC Meeting

Vessel Arrivals Same as January 2021 But...

January 2022 versus January 2021

Containers down 13	Car Carriers up 3
Bulkers down 7	Cruise ships – season not started
General - same	Tankers up 9
RoRo up 1	ATB's up 6

Container arrivals are down significantly over 4 years. In 2019, there were 87 container vessel arrivals in January and that dropped to 83, 71 and now 58 in 2022 – a 33% since 2019.

Container vessel assignments typically represent the largest category of pilotage assignments.

Container Vessels Queuing Up: at Anchor, Drifting or Slow Steaming

- ✓ During COVID there was an increase container vessels at anchor.
- ✓ Queueing changes reduced anchoring moving container vessel pilot assignments more traditionally back to arrival/departure so 2 assignments per port call instead of 3.
- ✓ The queuing process for LA/LB and Oakland starts at port of departure so voyage planning decisions can be more informed. This is comparable to the PNW queueing which was initiated first and is based on a several week look ahead at berth windows. We have seen a marked reduction in the number of container ships at anchor here (zero on many days) and off Southern California due to a change in queueing of vessels. Oakland is following suit.
- ✓ Some PNW weekly container services have been suspended in addition to a shift of market share to the east coast. We now have T-5 phase one on line now which added a service. Future container services via PNW Gateway will depend on supply chain issues, decongesting terminals and overall competitiveness.
- ✓ Near Term Forecast of Vessel Arrivals Helps Planning. Think of terminal operators, rail, trucking/gate decisions and other service providers. BC posts their scheduling for departure, lead time prior to departure (order time) and arrival time off Victoria which provides lead time if coming to PA for pilot service to a Puget Sound port/terminal.

Pilot Service Supply, Demand & Delays

- ✓ Relatively low vessel arrivals/assignments; relatively high number of pilot delays.
- ✓ PMSA was requested to brief the Federal Maritime Commission staff about vessel queueing and that discussion got into gateway issues; PMSA shared some data and will follow up with workload data, number of licensed pilots, number of assignment/day and delay data.

Prince Rupert port says expansion aims to strengthen Canada's supply chain

<https://www.theglobeandmail.com/canada/article-prince-rupert-port-says-expansion-aims-to-strengthen-canadas-supply/#:~:text=Watchlist-Prince%20Rupert%20port%20says%20expansion%20aims%20to%20strengthen%20Canada's,Prince%20rupert%2C%20b.c.&text=British%20Columbia's%20most%20northerly%20deep,with%20future%20supply%20chain%20challenges.>

Coast Reporter

British Columbia's most northerly deep sea port says expansion of its container terminal along with other upgrades will help the West Coast deal with future supply chain challenges. The Port of Prince Rupert says container traffic has grown rapidly over the last five years and it is working with logistics company DP World Canada on a two-stage expansion of the Fairview Container Terminal to increase its capacity. The first stage of the project is expected to be completed by midsummer, pushing terminal capacity to 1.6 million standard shipping containers. A statement from the port says the second stage will boost capacity by a further 200,000 containers by 2024.

Lawmakers, Regulators Seek to Rein In Fees Carriers Charge at Ports

<https://www.wsj.com/articles/lawmakers-regulators-seek-to-rein-in-fees-carriers-charge-at-ports-11644152400>

U.S. shippers say they have been charged for delays over which they have no control—on top of the skyrocketing cost of moving cargo in the pandemic

By Paul Berger, Wall Street Journal

Ocean carriers have been imposing more and larger such fees for boxes that have been sitting for longer periods, sometimes weeks at a time, in logjams that have snarled supply chains during the Covid-19 pandemic. U.S. lawmakers and regulators are taking a hard look at the charges and other shipping practices that critics say have sharply raised costs for American importers and hamstrung the ability of exporters to reach overseas markets.

Mr. Schmidt said that Flexsteel will cut logistics spending this year by reducing container imports in the first quarter of 2022 to between 250 and 300 a month, down from 880 a month during the third quarter of last year. The company will also hire an outside firm to audit add-on fees and “where appropriate to push back,” he added.

US marine terminal acreage abuse cements port congestion

https://www.joc.com/port-news/us-ports/us-marine-terminal-acreage-abuse-cements-port-congestion_20220203.html

Peter Tirschwell | Feb 03, 2022 10:42AM EST

If there is one inescapable conclusion from the months of US port bottlenecks that have barely begun to recede in early 2022, it is that marine terminal acreage is, in an international trade sense, hallowed ground. And yet, that ground is continually underappreciated, abused, and disrespected to the extent that import, export, and empty containers are allowed to linger, turning terminals into storage yards rather than conduits between transport modes. If the experience of the past two years has taught us anything, it's the disastrous consequences of excessive container dwell time up and down the global supply chain. The excessively long residency of containers on terminals — caused by a great variety of factors — is directly responsible for the 16-month vessel backup off the ports of Los Angeles and Long Beach that remained at 101 ships as of Feb. 1. It's not complicated; when boxes pile up on the terminal, there is no space to offload more containers and, as a result, ships sit at berth for longer and arriving ships have to wait offshore.

Carriers hauling competing lines' empty boxes from LA-LB to Asia

https://www.joc.com/port-news/us-ports/carriers-hauling-competing-lines-empty-boxes-la-lb-asia_20220131.html#:~:text=Carriers%20calling%20on%20the%20ports,gripped%20the%20US'%20largest%20gateway.

Bill Mongelluzzo, Senior Editor | Jan 31, 2022 4:41PM EST

Carriers calling on the ports of Los Angeles and Long Beach have agreed to begin hauling empty containers from competing lines back to Asia, an important new weapon for marine terminals as they look to solve a major source of the historic congestion that has gripped the US' largest gateway. That comes as a wave of sweeper ships have been making a serious dent in thinning the volume of empty boxes in LA-LB in recent months, with expectations those sweepers will continue to call for the foreseeable future.

“We are getting quite a few empty loaders. Lines are now carrying other lines' empties. This is helping a lot,” Ed DeNike, president of SSA Marine, which operates three container terminals in Long Beach, told JOC.com.



December's TEU Numbers (Mind the Gaps)

We're not much into divining what may have happened. The reason there are gaps in the following three exhibits is because we exclusively use the container tallies provided by the seaports we monitor. And, as is usually the case, some ports are slower than others in reporting their monthly container numbers. As we prepare to punch the send button on this month's newsletter, a couple of major ports (the Port of New York/New Jersey again being the most notorious slowpoke) have not posted their December figures. Yes, we know there are numbers floating around out there. One maritime industry analyst is reporting that PNYNJ handled 411,924 inbound loads in December. But we'll wait to hear from the port and make sure of having an accurate count. After all, PNYNJ's count of inbound loads in November was 13,262 TEUs shy of that analyst's expectation.

In any case, here's what we know so far about December.

Certainly the most ironic takeaway in **Exhibit 1** is that, despite the national hue and cry about the fleet of container ships awaiting a berth at the Ports of Los Angeles and Long Beach, the two ports actually handled 122,999 fewer inbound loaded TEUs in December than they had a year earlier, a 14.2% fall-off. Of course, the autumn of 2020 was an exceptionally busy period at the ports as imports swelled to fill the nation's burgeoning number of fulfillment centers. But, in fact, the flow of inbound containers had been receding throughout the recently departed year's fourth quarter.

Inbound loads at the San Pedro Bay ports peaked last May at 980,450 TEUs. In June, the two ports handled 824,864 inbound loaded TEUs, a 23.1% year-over-year bump. The volume then grew to 852,301 TEUs in July and increased even higher to 893,098 TEUs in August. But September marked a turning point. The flood of inbound loads receded to 838,289 TEUs, which made September the first month in 2021 in which inbound traffic was lower (by 4.5%) than in the same month in 2020. Negative year-over-year comparisons continued through the end of the year. In October, the neighboring ports handled 852,287 inbound loads, down 6.2%. But then import loads slipped to 765,838 TEUs (-9.6%) in November before creeping even lower in December to 743,938 TEUs.

Although inbound container traffic in Southern California did not exactly slow to the proverbial trickle, the slackening pace of discharged boxes did raise a perplexing question: Why are fewer containers being offloaded when around a hundred ships are said to be lingering offshore or over the horizon impatiently awaiting a berth? Has port efficiency been eroded by a year-and-a-half of unprecedented volumes of trade? Is there no room left on the terminals to accommodate new arrivals? Were threats to impose fees on inbound containers that had overstayed their welcome effective or did clearing out large numbers of import loads simply free up space for empties?



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<https://www.bluewhalesblueskies.org>





December's TEU Numbers (Mind the Gaps) *Continued*

Exhibit 1	December 2021 - Inbound Loaded TEUs at Selected Ports									
	Dec 2021	Dec 2020	% Change	Dec 2019	% Change	Dec 2021 YTD	Dec 2020 YTD	% Change	Dec 2019 YTD	% Change
Los Angeles	385,251	460,865	-16.4%	373,511	3.1%	5,513,286	4,827,040	14.2%	4,714,266	116.9%
Long Beach	358,687	406,072	-11.7%	323,231	11.0%	4,581,848	3,998,341	14.6%	3,758,439	21.9%
San Pedro Bay Totals	743,938	866,937	-14.2%	696,742	6.8%	10,095,134	8,825,381	14.4%	8,472,705	19.1%
Oakland	79,055	90,220	-12.4%	81,281	-2.7%	1,055,614	995,976	6.0%	975,210	8.2%
NWSA	97,285	122,469	-20.6%	105,823	-8.1%	1,464,662	1,253,818	16.8%	1,369,251	7.0%
Hueneme	11,070	4,591	141.1%	5,141	115.3%	102,892	49,278	108.8%	59,848	71.9%
San Diego	5,798	5,460	6.2%	6,988	-17.0%	80,335	73,929	8.7%	71,726	12.0%
USWC Totals	937,146	1,089,677	-14.0%	895,975	104.6%	12,798,637	11,198,382	14.3%	10,948,740	16.9%
Boston	5,401	12,114	-55.4%	11,409	-52.7%	92,267	137,098	-32.7%	149,605	-38.3%
NYNJ		358,325		288,964			3,920,686		3,770,971	
Maryland		45,041		41,429			523,266		524,225	
Virginia	157,590	123,218	27.9%	103,711	52.0%	1,679,528	1,316,976	27.5%	1,366,381	22.9%
South Carolina	118,710	93,568	26.9%	81,779	45.2%	1,294,901	1,033,001	25.4%	1,066,314	21.4%
Georgia	238,309	224,650	6.1%	172,124	38.5%	2,801,201	2,306,631	21.4%	2,218,655	26.3%
Jaxport		27,906		24,513			317,626		349,896	
Port Everglades		27,913		27,133			299,038		318,187	
Miami	51,154	43,066	18.8%	39,645	29.0%	548,331	439,305	24.8%	445,238	23.2%
USEC Totals		955,801		790,707			10,293,627		10,209,472	
New Orleans	11,656	12,362	-5.7%	11,916	-2.2%	128,039	138,450	-7.5%	135,456	-5.5%
Houston	148,301	128,593	15.3%	100,274	47.9%	1,634,025	1,296,522	26.0%	1,244,790	31.3%
USGC Totals	159,957	140,955	13.5%	112,190	42.6%	1,762,064	1,434,972	22.8%	1,380,246	27.7%
Vancouver	145,376	167,466	-13.2%	140,560	3.4%	1,909,972	1,797,582	6.3%	1,709,398	11.7%
Prince Rupert	57,596	59,141	-2.6%	54,481	5.7%	546,944	643,575	-15.0%	678,699	-19.4%
BC Totals	202,972	226,607	-10.4%	195,041	4.1%	2,456,916	2,441,157	0.6%	2,388,097	2.9%
US/BC Total		2,413,040		1,993,913			25,368,138		24,926,555	
US Total		2,186,433		1,798,872		14,560,701	22,926,981		22,538,458	
USWC/BC Total	1,140,118	1,316,284	-13.4%	1,091,016	4.5%	15,255,553	13,639,539	11.8%	13,336,837	14.4%

Source Individual Ports



December's TEU Numbers (Mind the Gaps) Continued

Exhibit 2		December 2021 - Outbound Loaded TEUs at Selected Ports								
	Dec 2021	Dec 2020	% Change	Dec 2019	% Change	Dec 2021 YTD	Dec 2020 YTD	% Change	Dec 2019 YTD	% Change
Los Angeles	70,872	120,265	-41.1%	130,229	-45.6%	1,184,145	1,531,406	-22.7%	1,756,177	-32.6%
Long Beach	113,918	132,374	-13.9%	125,395	-9.2%	1,437,917	1,475,892	-2.6%	1,472,804	-2.4%
San Pedro Bay Totals	184,790	252,639	-26.9%	255,624	-27.7%	2,622,062	3,007,298	-12.8%	3,228,981	-18.8%
Oakland	55,724	75,330	-26.0%	74,643	-25.3%	852,374	927,799	-8.1%	931,019	-8.4%
NWSA	40,703	63,849	-36.3%	75,868	-46.4%	691,446	790,620	-12.5%	913,332	-24.7%
Hueneme	2,516	1,147	119.4%	1,285	95.8%	30,796	12,314	150.1%	14,956	105.9%
San Diego	866	384	125.5%	308	181.2%	6,704	3,516	90.7%	3,725	80.0%
USWC Totals	284,599	393,349	-27.6%	407,728	-30.2%	4,203,382	4,741,547	-11.3%	5,092,013	-17.5%
Boston	3,222	7,211	-55.3%	5,664	-43.1%	64,266	79,133	-18.8%	81,520	-21.2%
NYNJ		103,891		110,768			1,321,043		1,460,447	
Maryland		22,269		17,857			226,621		232,957	
Virginia	88,667	82,670	7.3%	78,285	13.3%	1,049,588	940,684	11.6%	966,102	8.6%
South Carolina	57,132	67,239	-15.0%	61,903	-7.7%	814,964	774,811	5.2%	816,962	20.0%
Georgia	84,800	105,796	-19.8%	111,324	-23.8%	1,382,233	1,414,891	-2.3%	1,470,373	-6.0%
Jaxport		44,804		38,013			512,203		497,149	
Port Everglades		32,889		31,995			343,572		427,423	
Miami	26,827	27,051	-0.8%	35,034	-23.4%	338,696	343,267	-1.3%	416,466	-18.7%
USEC Totals		887,169		490,843			5,956,225		6,369,399	
New Orleans	17,657	22,792	-22.5%	24,304	-27.3%	246,704	278,560	-11.4%	299,511	-17.6%
Houston	90,660	106,908	-15.2%	109,721	-17.4%	1,068,982	1,230,921	-13.2%	1,265,669	-15.5%
USGC Totals	108,317	129,700	-16.5%	134,025	-19.2%	1,315,686	1,509,481	-12.8%	1,565,180	-15.9%
Vancouver	49,084	88,192	-44.3%	86,892	-43.5%	878,426	1,043,069	-15.8%	1,121,973	-21.7%
Prince Rupert	14,999	18,762	-20.1%	17,344	-13.5%	158,861	193,640	-18.0%	192,068	-17.3%
BC Totals	64,083	106,954	-40.1%	104,236	-38.5%	1,037,287	1,236,709	-16.1%	1,314,041	-21.1%
US/BC Total		1,517,172		1,136,832			13,443,962		14,340,633	
US Total		1,410,218		1,032,596			12,207,253		13,026,592	
USWC/BC Total	348,682	500,303	-30.3%	511,964	-31.9%	5,240,669	5,978,256	-12.3%	6,406,054	-18.2%

Source Individual Ports



December's TEU Numbers (Mind the Gaps) Continued

Export traffic looked good at the San Pedro ports, so long as you were just counting empties being returned abroad for replenishment. Shipments of empty TEUs were up 6.6% over the previous December. But, as a maritime gateway serving the needs of America's export economy, it was a different story. While both ports sustained year-over-year declines in loaded outbound TEUs, the fate of laden export containers seemed especially egregious at the Port of LA, where leadership calls for a national export strategy still echo along the waterfront. Not only were the 70,872 laden export TEUs shipped through "America's Port" down 41.1% from a year earlier and by 45.6% from December 2019, it was the port's worst single month for exports dating back to October 2002.

Up the coast, December was a peculiar month for the Port of Oakland. A month earlier, the port had attributed November's 6.5% year-over-year bump in inbound loads to additional vessel traffic. Its public statements this month were silent about the cause of a 12.4% drop in its December loaded inbound container traffic. And, while export loads through Oakland plummeted in December, the number of outbound empties slipped to 23,229 TEUs from 27,718 TEUs a year earlier. For the year as a whole, the Bay Area port did hit a new mark, handling over 1 million import loads for the first time in its 94-year history. Export loads were another story altogether. The 852,374 loaded TEUs shipped from the port in 2021 was the lowest since 2006, when the port sent 840,145 loaded TEUs abroad. The Northern California port's total container traffic (loads + empties) slipped last year by 0.5% from 2020. Its 373,404 outbound empties, while up 8.2% from 2020, were down from 2019 and 2018. Maritime

Exhibit 3	December 2021 Total TEUs (Loaded and Empty) Handled at Selected Ports				
	Dec 2021	Dec 2020	% Change	Dec 2019	% Change
Los Angeles	10,677,610	9,213,396	15.9%	9,337,632	14.4%
Long Beach	9,384,368	8,113,318	15.7%	7,632,038	23.0%
San Pedro Bay Ports	20,061,978	17,326,714	15.8%	16,969,670	18.2%
NYNJ		8,215,176		7,585,819	
Georgia	5,613,163	4,682,249	19.9%	4,599,172	22.0%
NWSA	3,736,206	3,320,379	12.5%	3,775,303	-1.0%
Vancouver	3,680,581	3,467,521	6.1%	3,398,860	8.3%
Virginia	3,522,834	2,813,415	25.2%	2,937,962	19.9%
Houston	3,453,266	3,001,164	15.1%	2,990,175	15.5%
South Carolina	2,751,442	2,309,995	19.1%	2,436,185	12.9%
Oakland	2,448,243	2,461,281	-0.5%	2,500,461	-2.1%
Montreal	1,728,114	1,607,289	7.5%	1,745,244	-1.0%
JaxPort		1,295,289		1,336,263	
Miami	1,244,090	1,070,616	16.2%	1,148,935	8.3%
Prince Rupert	1,054,836	1,141,390	-7.6%	1,210,776	-12.9%
Port Everglades		933,431		1,033,460	
Maryland		1,051,840		1,073,688	
Philadelphia	739,323	640,709	15.4%	598,274	23.6%
New Orleans	488,119	572,221	-14.7%	646,608	-24.5%
Hueneme	220,186	169,412	30.0%	122,594	79.6%
Boston	187,902	268,418	-30.0%	300,762	-37.5%
San Diego	157,755	147,533	6.9%	143,472	10.0%
Portland, Oregon	105,989	58,066	82.5%	26	

Source Individual Ports



December's TEU Numbers (Mind the Gaps) Continued

trade analysts eager to associate the surge in outbound empties with the pandemic might consider that Oakland shipped more empties in 2006 (481,367 TEUs) and in 2007 (403,051 TEUs) as well as in the more immediate, pre-pandemic years of 2018 (464,027 TEUs) and 2019 (402,977 TEUs). Meanwhile, the 55,724 laden outbound TEUs it shipped in December was the fewest number in any month since February 2015, and the fewest in any December since the turn of the century.

In the Pacific Northwest, the Ports of Tacoma and Seattle (operating as the Northwest Seaport Alliance) reported a sharp 20.6% year-over-year drop in inbound loads in December. For the year, though, the NWSA ports recorded a 16.8% gain in inbound loads over 2020 and a 7.0% increase over 2019. Export loads meanwhile plunged in December by 36.3% from a year earlier and by very nearly half from December 2019. For the year, export loads were off by 12.5%. Empty export TEUs, which increased in the year's final month by 10.1% over December 2020, were up by 53.5% for the year as a whole. The ports said that a "shortage of equipment and space" and "weather-related terminal closures" contributed to December's lackluster numbers.

Across the border in British Columbia, Vancouver not surprisingly posted a 13.2% decline in inbound loads and a 44.3% slide in outbound loads in December. The damage to British Columbia's transportation infrastructure from that atmospheric river that swamped the region in November had an obvious impact on port business. Even outbound empties in December were down from a year earlier. Still, for the year, inbound loads saw a 6.3% gain over 2020, while total TEU traffic rose 6.1%. As with most other North American ports, outbound loads at Vancouver (878,426 TEUs) were down. Down so far that it was the least number of outbound loads the port had shipped since at least 2008, when the port's public record of container activity begins.

Further north, the Port of Prince Rupert continued to disappoint. Its total count of loads and empties for 2021 came to 1,054,836 TEUs, down 7.6% from 2020, down 12.9% from 2019, and just 1.8% above the port's total TEU count in 2018. Import loads for the year (546,944 TEUs) were the lowest since 2017. Export loads (158,861 TEUs) were the lowest since 2015.

Back East, import growth was nearly uniform, the Port of Boston being out of uniform. Inbound loads at PNYNJ were up 15% year-over-year in December, according to one published source. Should recent trends persist, PNYNJ may soon eclipse LA as the nation's top import terminal. In December 2020, LA handled 102,540 more inbound laden TEUs than did PNYNJ. By this past December, it is looking likely that PNYNJ will have eclipsed LA by handling as many as 27,000 more laden import TEUs.

The Ports of Virginia and Charleston posted strong double-digit gains in inbound loads, as did the Port of Miami. The Port of Savannah, however, managed only a relatively modest 6.1% increase. On the export side of the ledger, the only major port to post a year-over-year increase in December was Virginia. In all likelihood, mainland U.S. ports will ship significantly fewer export loads in 2021 than they had in 2020 or in 2019.

On the Gulf Coast, Houston posted a 15.3% bump in import loads in December, bringing its year-over-year gain for the year to 26.0%. However, export container traffic fell by 15.2% in December, leaving the Texas port with 13.2% fewer outbound loads in 2021 than in 2020. Over in Louisiana, the December and YTD numbers at the Port of New Orleans were all negative. Unlike most other U.S. ports, though, outbound empties in 2021 were at their lowest point since 2016.

For the Record: November 2021 TEU Numbers

Here are the TEU tallies obtained from the U.S. and Canadian ports we track. Eighteen American ports and two British Columbia ports are able to provide TEU numbers that distinguish between inbound loads and empties as well as between outbound loads and empties. In some cases, ports have revised their November container statistics in just the last few weeks. Those revisions are incorporated in the following three exhibits, which compare the November TEU figures with the same month and YTD in 2020 and 2019.



Exhibit 4 November 2021 - Inbound Loaded TEUs at Selected Ports

	Nov 2021	Nov 2020	% Change	Nov 2019	% Change	Nov 2021 YTD	Nov 2020 YTD	% Change	Nov 2019 YTD	% Change
Los Angeles	403,444	464,820	-13.2%	371,350	8.6%	5,128,035	4,366,177	17.4%	4,340,757	18.1%
Long Beach	362,394	382,677	-5.3%	293,287	23.6%	4,223,159	3,592,268	17.6%	3,435,208	22.9%
San Pedro Bay Totals	765,838	847,497	-9.6%	664,637	15.2%	9,351,194	7,958,445	17.5%	7,775,965	20.3%
Oakland	83,097	78,048	6.5%	77,367	7.4%	976,560	905,759	7.8%	893,929	9.2%
NWSA	125,892	117,151	7.5%	94,978	32.5%	1,367,378	1,131,349	20.9%	1,263,429	8.2%
Hueneme	9,882	5,276	87.3%	4,715	109.6%	91,822	44,687	105.5%	54,707	67.8%
San Diego	6,062	7,106	-14.7%	5,772	105.0%	74,537	68,469	8.9%	64,735	15.1%
USWC Totals	990,771	1,055,078	-6.1%	847,469	16.9%	11,861,491	10,108,709	17.3%	10,052,765	18.0%
Boston	5,883	10,461	-43.8%	11,538	-49.0%	86,866	124,984	-30.5%	138,196	-37.1%
NYNJ	382,074	382,912	-0.2%	301,123	26.9%	4,194,640	3,562,361	17.7%	3,482,007	20.5%
Maryland	36,154	47,148	-23.3%	38,915	-7.1%	456,861	478,225	-4.5%	482,796	-5.4%
Virginia	141,617	125,214	13.1%	103,410	36.9%	1,521,938	1,193,758	27.5%	1,262,673	20.5%
South Carolina	127,081	93,369	36.1%	82,785	53.5%	1,176,191	939,434	25.2%	984,353	19.5%
Georgia	236,991	234,583	1.0%	173,863	36.3%	2,562,892	2,081,975	23.1%	2,046,532	25.2%
Jaxport	24,469	27,027	-9.5%	27,390	-10.7%	287,359	289,729	-0.8%	325,383	-11.7%
Port Everglades	34,238	26,280	30.3%	26,959	27.0%	333,035	271,126	22.8%	290,053	14.8%
Miami	37,943	45,816	-17.2%	37,763	0.5%	497,177	396,239	25.5%	405,593	22.6%
USEC Totals	1,026,450	992,810	3.4%	803,746	27.7%	11,116,959	9,337,831	19.1%	9,417,586	18.0%
New Orleans	9,354	10,915	-14.3%	10,155	-7.9%	116,250	126,088	-7.8%	123,540	-5.9%
Houston	152,528	122,475	24.5%	101,494	50.3%	1,485,724	1,167,919	27.2%	1,144,516	29.8%
USGC Totals	161,882	133,390	21.4%	111,649	45.0%	1,601,974	1,294,007	23.8%	1,268,056	26.3%
Vancouver	125,017	162,436	-23.0%	123,918	0.9%	1,764,598	1,630,118	8.2%	1,568,840	12.5%
Prince Rupert	34,127	51,272	-33.4%	58,181	-41.3%	490,203	584,435	-16.1%	616,904	-20.5%
British Columbia Totals	159,144	213,708	-25.5%	182,099	-12.6%	2,254,801	2,214,553	1.8%	2,185,744	3.2%
US Ports Total	2,179,103	2,181,278	-0.1%	1,762,864	23.6%	24,580,424	20,740,547	18.5%	20,738,407	18.5%

Source Individual Ports



Exhibit 5 November 2021 - Outbound Loaded TEUs at Selected Ports

	Nov 2021	Nov 2020	% Change	Nov 2019	% Change	Nov 2021 YTD	Nov 2020 YTD	% Change	Nov 2019 YTD	% Change
Los Angeles	82,741	130,917	-36.8%	138,545	-40.3%	1,113,273	1,411,202	-21.1%	1,625,950	-31.5%
Long Beach	109,821	117,283	-6.4%	123,705	-11.2%	1,323,999	1,343,518	-1.5%	1,347,409	-1.7%
San Pedro Bay Totals	192,562	248,200	-22.4%	262,250	-26.6%	2,437,272	2,754,720	-11.5%	2,973,359	-18.0%
Oakland	72,155	79,667	-9.4%	81,780	-11.8%	796,650	852,469	-6.5%	856,376	-7.0%
NWSA	59,341	72,746	-18.4%	73,589	-19.4%	650,743	726,771	-10.5%	837,468	-22.3%
Hueneme	3,836	1,318	191.0%	1,181	224.8%	28,280	11,167	153.2%	13,671	106.9%
San Diego	652	450	44.9%	272	139.7%	5,838	3,312	76.3%	3,417	70.9%
USWC Totals	328,546	402,381	-18.3%	419,072	-21.6%	3,918,783	4,348,439	-9.9%	4,684,291	-16.3%
Boston	4,560	6,298	-27.6%	6,128	-25.6%	61,044	71,922	-15.1%	75,856	-19.5%
NYNJ	118,155	118,712	-0.5%	119,422	-1.1%	1,252,594	1,217,152	2.9%	1,349,679	-7.2%
Maryland	19,694	21,032	-6.4%	20,254	-2.8%	228,952	204,352	12.0%	215,100	6.4%
Virginia	84,002	89,032	-5.6%	77,241	8.8%	960,921	858,014	12.0%	887,839	8.2%
South Carolina	67,639	64,447	5.0%	62,831	7.7%	757,829	707,573	7.1%	755,060	0.4%
Georgia	102,508	113,357	-9.6%	119,126	-13.9%	1,297,433	1,309,097	-0.9%	1,359,049	-4.5%
Jaxport	46,961	43,814	7.2%	44,440	5.7%	533,970	467,398	14.2%	459,136	16.3%
Port Everglades	31,605	31,476	0.4%	39,665	-20.3%	356,392	310,684	14.7%	395,428	-9.9%
Miami	24,020	25,633	-6.3%	35,774	-32.9%	311,869	316,216	-1.4%	381,432	-18.2%
USEC Totals	499,144	513,801	-2.9%	524,881	-4.9%	5,761,004	5,462,408	5.5%	5,878,579	-2.0%
New Orleans	18,818	22,781	-17.4%	23,600	-20.3%	203,943	255,768	-20.3%	275,207	-28.9%
Houston	94,933	102,755	-7.6%	107,927	-12.0%	978,322	1,124,005	-13.0%	1,163,306	-15.9%
USGC Totals	113,751	125,536	-9.4%	131,527	-13.5%	1,182,265	1,379,773	-14.3%	1,438,513	-17.8%
Vancouver	56,465	82,062	-31.2%	91,707	-38.4%	830,108	954,878	-13.1%	1,035,082	-19.8%
Prince Rupert	8,375	12,949	-35.3%	15,250	-45.1%	143,862	174,880	-17.7%	174,726	-17.7%
British Columbia Totals	64,840	95,011	-31.8%	106,957	-39.4%	973,970	1,129,758	-13.8%	1,209,808	-19.5%
US Ports Total	941,441	1,041,718	-9.6%	1,075,480	-12.5%	10,862,052	11,190,620	-2.9%	12,001,383	-9.5%

Source Individual Ports



November 2021 TEU Numbers Continued

Weights and Values

Although the TEU is the conventional metric for measuring containerized trade, we also use two alternative measures – the declared weight and value of the goods loaded into those TEUs – to determine the share of the nation’s box trade that passes through the chief USWC ports. Please note that the percentages in the following exhibits are derived from data compiled by the U.S. Commerce Department from documentation submitted by the importers and exporters of record. Commerce then makes the data available with a time-lag of approximately five weeks.

Exhibit 7 shows how the three major USWC gateways have been faring with respect to their respective shares of containerized imports discharged at mainland U.S. seaports in November. Although the five major USWC maritime gateways obviously dominate the movement of containers through ports in the states of California, Oregon, and Washington, smaller USWC ports have boosted the major ports’ combined share of containerized import tonnage through mainland U.S. ports by 1.5-2.0%. In November, for example, the total USWC share of containerized import tonnage through mainland ports was 34.6%, a full 2.2 percentage points higher than the 32.4% share jointly held by the USWC Big Five. Similarly, the smaller USWC ports helped nudge the USWC share of containerized export tonnage in November to 33.8% from the 32.7% share held collectively by the Big Five.

On a value basis, 39.0% of the \$79.75 billion in containerized imports that entered mainland U.S. ports in November came through the five largest USWC

	November 2021 Total TEUs (Loaded and Empty) Handled at Selected Ports				
	Nov 2021	Nov 2020	% Change	Nov 2019	% Change
Los Angeles	9,891,021	8,334,212	18.7%	8,590,884	15.1%
Long Beach	8,630,053	7,297,430	18.3%	6,966,772	23.9%
San Pedro Bay Ports	18,521,074	15,631,642	18.5%	15,557,656	19.0%
NYNJ	8,215,176	6,876,744	19.5%	6,886,388	119.3%
Georgia	5,148,212	4,234,732	21.6%	4,238,344	19.3%
NWSA	3,482,104	3,018,565	15.4%	3,490,581	-0.2%
Vancouver	3,432,231	3,146,221	9.1%	3,126,993	9.8%
Virginia	3,197,307	2,553,014	25.2%	2,713,061	17.8%
Houston	3,150,062	2,724,721	15.6%	2,736,345	15.1%
South Carolina	2,505,244	2,100,390	19.3%	2,248,305	11.4%
Oakland	2,278,583	2,252,923	1.1%	2,306,497	-1.2%
Montreal	1,585,465	1,467,501	8.0%	1,609,900	-1.5%
JaxPort	1,269,568	1,179,338	7.7%	1,235,362	2.8%
Miami	1,133,589	971,033	16.7%	1,049,363	8.0%
Port Everglades	973,678	848,303	14.8%	949,196	2.6%
Prince Rupert	944,509	1,031,304	-8.4%	1,103,678	-14.4%
Maryland	926,584	961,599	-3.6%	991,781	-6.6%
Philadelphia	682,983	589,094	15.9%	554,337	23.2%
New Orleans	451,413	523,081	-13.7%	586,218	-23.0%
Hueneme	199,756	154,010	29.7%	109,594	82.3%
Boston	176,717	242,984	-27.3%	277,979	-36.4%
San Diego	146,015	136,377	7.1%	129,504	12.7%
Portland, Oregon	93,195	49,826	87.0%	26	

Source Individual Ports



November 2021 TEU Numbers *Continued*

Exhibit 7 Major USWC Ports Shares of U.S. Mainland Ports Worldwide Container Trade, November 2021

	Nov 2021	Oct 2021	Nov 2020
Shares of U.S. Mainland Ports' East Asian Container Import Tonnage			
LA/LB	25.3%	27.4%	28.7%
Oakland	3.2%	2.8%	3.3%
NWSA	3.9%	4.6%	4.7%
Shares of U.S. Mainland Ports' East Asian Container Import Value			
LA/LB	31.3%	33.5%	35.1%
Oakland	2.7%	2.3%	3.2%
NWSA	5.0%	6.3%	6.3%
Shares of U.S. Mainland Ports' East Asian Container Export Tonnage			
LA/LB	18.9%	18.9%	21.6%
Oakland	7.6%	6.5%	6.9%
NWSA	6.2%	7.1%	7.8%
Shares of U.S. Mainland Ports' East Asian Container Export Value			
LA/LB	15.9%	16.7%	21.0%
Oakland	8.7%	6.3%	8.4%
NWSA	3.6%	4.1%	4.6%

Source: U.S. Commerce Department.

ports. The total USWC share was 40.5%, of which the second-tier ports contributed 1.5%.

While handling much smaller numbers of containers, ports like the Port of Hueneme, the Port of San Diego, the Port of Everett (Washington), and the Port of Portland supplement the USWC container handling capacity. The Port of Hueneme, for example, is currently taking in containers diverted from LA/Long Beach.

While the maritime industry measures containerized trade in TEUs, economists generally refer using currency values. So it's worth noting that, while the Ports of Los Angeles and Long Beach saw their combined share of the declared value of U.S. containerized imports decline

Exhibit 8 Major USWC Ports Shares of U.S. Mainland Ports Containerized Trade with East Asia, November 2021

	Nov 2021	Oct 2021	Nov 2020
Shares of U.S. Mainland Ports Containerized Import Tonnage			
LA/LB	43.1%	44.5%	45.1%
Oakland	3.8%	3.0%	3.7%
NWSA	6.1%	7.2%	6.7%
Shares of U.S. Mainland Ports Containerized Import Value			
LA/LB	48.5%	49.3%	51.0%
Oakland	3.3%	2.5%	3.8%
NWSA	7.4%	9.2%	8.9%
Shares of U.S. Mainland Containerized Export Tonnage			
LA/LB	33.9%	34.0%	33.7%
Oakland	10.8%	9.0%	8.2%
NWSA	10.9%	12.5%	11.5%
Shares of U.S. Mainland Containerized Export Value			
LA/LB	34.2%	36.5%	38.3%
Oakland	14.7%	10.5%	13.7%
NWSA	7.5%	9.6%	8.3%

Source: U.S. Commerce Department.

in November from a year earlier, the Port of New York/New Jersey (up to 17.2% from 16.9%) and the three major Mid-Atlantic ports of Norfolk, Charleston, and Savannah enjoyed an increase in their combined share to 23.6% from 21.4% a year earlier.

Exhibit 8 displays the shares of U.S. container trade involving the Far East handled by the five major USWC ports. Collectively, these five ports handled 53.0% of all containerized import tonnage that entered U.S. mainland ports from the Far East in November. That was down from a year earlier when the same five ports received 55.5% of all containerized import tonnage.

Not shown in the exhibit is that the Port of New York/New



November 2021 TEU Numbers *Continued*

Jersey saw its share of the nation's Far East import trade slip to 13.2% from 13.7% in November 2020 as the rival Mid-Atlantic Ports of Norfolk, Charleston, and Savannah saw their collective share of containerized import tonnage from the Far East grow to 18.7% from 18.0%.

Factoid of the Month

Through the first eleven months of 2021, the nominal value of containerized exports from U.S. ports totaled \$263.01 billion, according to U.S. Commerce Department calculations based on documentation submitted by exporters or their agents. How does that stack up against exports by other modes of transport? Those containerized shipments represented 16.5% of the \$1,595 billion value of all U.S. merchandise exports through November of last year. By comparison, airborne shipments abroad were worth \$500.02 billion. Overland shipments to Canada and Mexico amounted to \$518.42 billion. Non-containerized exports by sea added \$313.36 billion.

The single most valuable containerized export commodity was motor vehicles. They were worth \$10.02 billion. Next came Polymers of Ethylene (\$8.01 billion) and Auto Parts & Accessories (\$6.90 billion). Containerized exports of Tree Nuts followed at \$6.15 billion.

In terms of weight, however, the biggest export commodity by far was Scrap Paper at 12.12 million metric tons or 10.6% of all containerized export tonnage shipped in the first eleven months of last year.

Who's Number One in TEU Empties?

Exhibit 5 gives us a rundown on how ports stack up in terms of shipping loaded containers to overseas markets. Through November, the Port of Long Beach led with 1,323,999 outbound laden TEUs. Savannah (1,297,433 TEUs) edged out the Port of New York/New Jersey (1,252,594 TEUs). In fourth place came the Port of LA (1,113,273 TEUs), whose container export trade had plunged by 31.5% (-512,677 TEUs) from the same point in pre-pandemic 2019. Houston landed in fifth place with 978,322 outbound loads, just 17,401 TEUs ahead of Virginia.

Through November, export loads through the ports we monitor declined by 2.9% from 2020 and by 9.5% (or 1,139,331 TEUs) from the year before that.

There is no question that more TEUs were shipped from the Port of Los Angeles than from any other port in the country. Last year, over 5 million TEUs departed the Southern California gateway. Its neighbor, the Port of Long Beach handled 4,648,233 outbound TEUs. But over 70% of those boxes contained nothing more than Southern California air.

Shipping actual goods overseas has not been a growth enterprise at most U.S. ports and certainly not those in San Pedro Bay. But shipping empty containers has been.

So how do America's ports stack up when it comes to exporting local air? The Port of LA has been the clear leader, with 3,625,279 empties outbound through November. Long Beach followed with 2,941,134 empties, with PNYNJ in third with 2,743,913 empties. Not at all close behind was Savannah (1,247,462 empties), Virginia (688,090 empties), NWSA (687,851 empties), Houston (624,208 empties), and Charleston (508,978 empties).

The pandemic years have witnessed a sharp runup in the number of outbound empty containers from U.S. ports. To be sure, the shift in consumer spending patterns has spurred a robust demand for imported merchandise and thus put a premium on returning empty containers to manufacturers abroad. And the resulting scramble for containers has disadvantaged some exporters. But, as the exhibits below show, even before the pandemic's onset in early 2020 exporters were not making full use of available containers.

According to several maritime industry pundits, the onset of the COVID-19 epidemic in early 2020 precipitated a shift in container trade flows by stimulating an unprecedented demand for imported goods. That had the effect of putting space aboard eastbound transpacific container vessels at a growing premium, which was manifested in the fees that ocean carriers began to charge for transporting a container from the Far East to North America. To many, it was also manifested in a reluctance of shipping lines to accommodate the demands of U.S. exporters and most notably the shippers of agricultural products.

However, as **Exhibit 9** attests, the divergence between loaded outbound containers and empties began much earlier at the Port of LA. From 2014, export loads



November 2021 TEU Numbers Continued

Exhibit 9 Loads vs. Empties: Outbound TEU Traffic at the Port of LA
Source: Port of Los Angeles

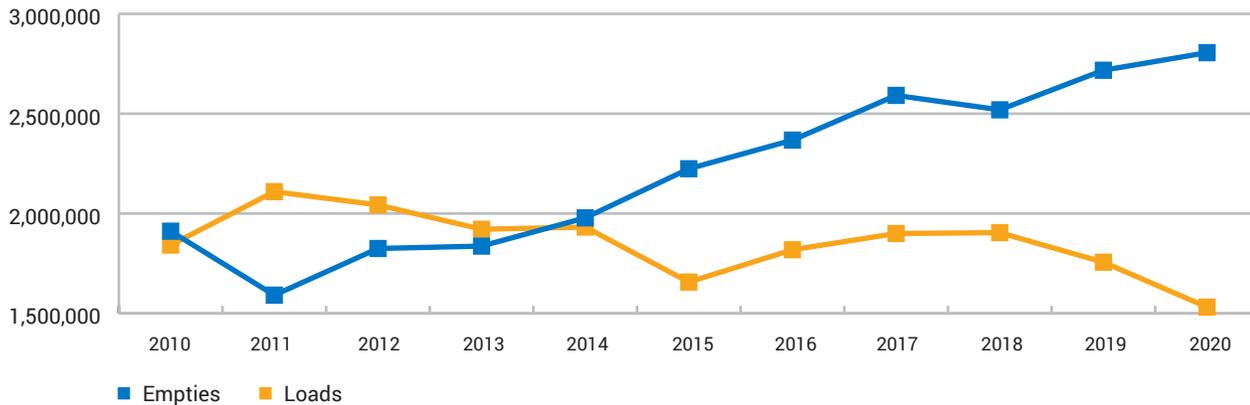
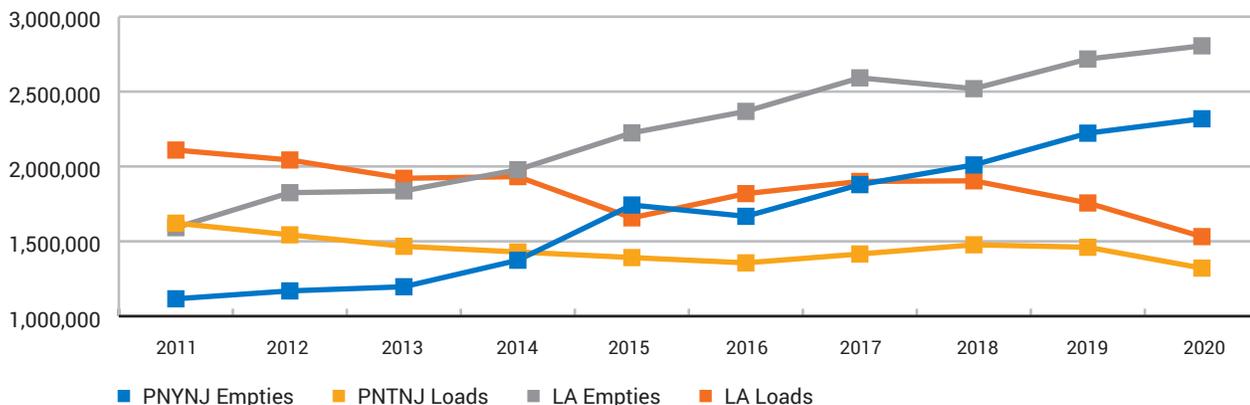


Exhibit 10 Outbound Loads vs. Empties: LA and PNYNJ
Source: Port of Los Angeles and Port Authority of New York/New Jersey



essentially went flat through 2018 and then tailed off. Meanwhile, traffic in outbound empties experienced nearly unabated growth.

What's interesting is that the Port of New York/New Jersey (see **Exhibit 10**) followed pretty much the same trajectory over the past decade. If nothing else, the available data should cast a shade of doubt on some of the more hysterical lamentations about shipping lines suddenly using the hubbub of the pandemic to deliberately stymie American exporters. For, as these

exhibits demonstrate, the trends well predated the hubbub.

Columbia River Ports' Role in Agricultural Exports in Bulk

Not everything moves in containers. In sheer tonnage, some 67.9% of all agricultural exports in pre-pandemic 2019 was shipped abroad in bulk. By value, 55.3% of all seaborne farm exports was uncontained that year.

Since then, international trade has been roiled by a global



November 2021 TEU Numbers *Continued*

pandemic and increasingly congested supply chains. The struggles of containerized trade, especially in consumer goods, has been amply documented in the press. By contrast, much less public attention has been given to bulk shipments of agricultural products through America's seaports.

The good news is that bulk shipments have been up. Through the first eleven months of 2021, non-containerized agricultural export tonnage ran 4.4% ahead of the same period a year earlier. Remarkably, the volume exported just through last November was higher than shipments in the entire year of 2019 and will almost certainly exceed bulk exports in 2018.

Some pundits may be surprised to learn how much of America's farm exports leave via four smaller ports located along the Columbia River in the Pacific Northwest. Three are on the Washington State side of the river (Kalama, Vancouver, and Longview). The other is the Port of Portland, Oregon.

In both 2018 and 2019, the four river ports handled 20.5% of the dollar value of all non-containerized exports of agricultural products from all U.S. ports. In the first eleven months of this year, that share edged up to 20.8%. The ports' tonnage shares were similar at 23.2% in 2018, 22.1% in 2019, and 21.3% through November of last year.

Exhibit 11 Columbia River Ports' Share of Non-Containerized Oceanbound Agricultural Exports
Source: U.S. Commerce Department

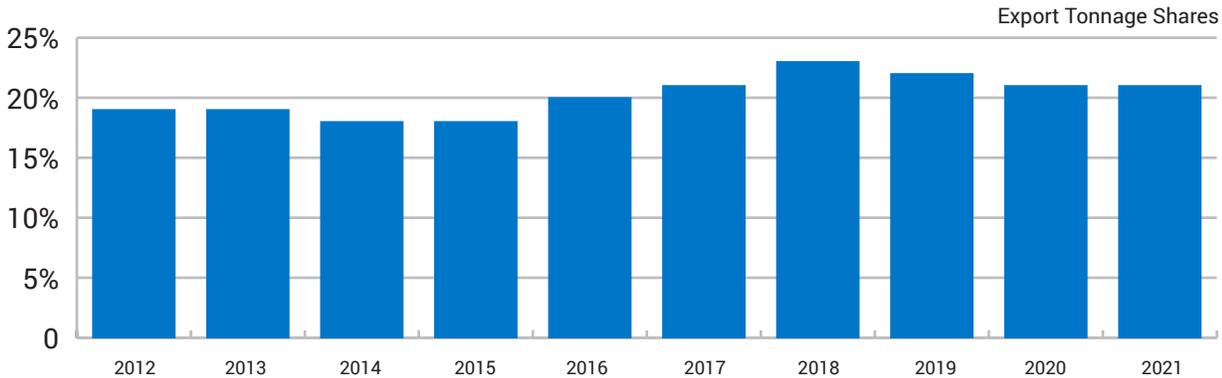
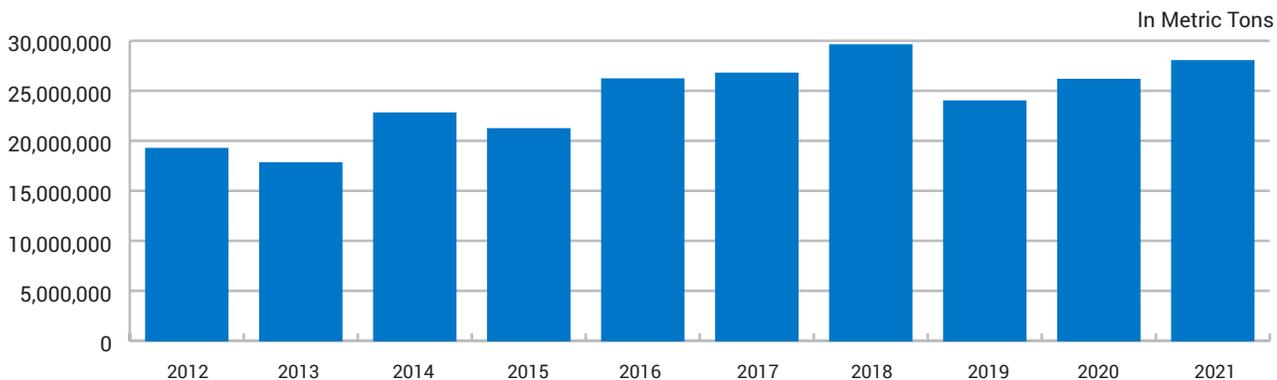


Exhibit 12 Columbia River Ports' Exports of Non-Containerized Oceanbound Agricultural Exports
Source: U.S. Commerce Department





November 2021 TEU Numbers *Continued*

Wheat, corn, and soybeans are the bulk export staples of these ports. Through November, 14.6% of all U.S. non-containerized exports of corn (maize) and 23.2% of non-containerized soybean exports left through these ports. But most remarkable is that the four ports also handled 61.8% of all U.S. bulk shipments of wheat.

Exhibit 11 and 12 display the four Columbia River ports' combined share of all U.S. agricultural goods exported in bulk over the past ten years.

Climate Change Redux

In the December 2020 edition of the *West Coast Trade Report*, the fellow responsible for our monthly commentaries wrote an offbeat tale about the late 19th century trade in ice shipped from lakes and rivers in northern New England to cocktail enthusiasts in New York City, New Orleans, Havana, and as far away as India. It was by most accounts a very lucrative trade, but warming temperatures drove the industry from Massachusetts north to Maine. That was good for Maine. Not only did

it provide wintertime work for farmers, it brought in cold cash. "According to some estimates, the ice harvest in 19th century Maine proved more valuable than all the gold 49ers found in California," the commentary observed.

Now comes word that, on the heels of frigid temperatures throughout the Northeast, Maine's rivers are again freezing up. That's prompting the U.S. Coast Guard to send a cutter up the Penobscot River to clear passage to Bangor, Maine's third largest city, the home of Stephen King, and, in 1860, the world's largest lumber port with 150 sawmills operating nearby. Breaking up ice formations on New England's rivers is an important task since, as the Coast Guard reports, 90% of the heating oil used in the Northeast is delivered on waterways it is responsible for maintaining.

But there's no indication any of the river's ice will be exported to India.

Jock O'Connell's Commentary: Turning a Silk Purse into a Sow's Ear

A study out of the University of California's Giannini Foundation last month garnered a fair amount of buzz from the agriculture industry's media before spilling over into the mainstream press and eventually plopping down in the public policy arena. That route to fame was almost predestined given the splashy title, "Containergeddon' and California Agriculture", the authors bestowed on their work.

To some observers, the current situation at California's ports may indeed resemble the End of Times prophesied in the Book of Revelations. So, for those of an especially apocalyptic frame of mind right now, a glancing reference to Armageddon might not appear altogether inappropriate. At least, we should be grateful the authors did not opt for some variation on the even more overworked "mother-of-all" meme. Still, the title evidently proved impossible for many editors to resist, and so the study's claims have been widely and verbatimly shared.

The co-authors, by the way, are Colin A. Carter, Sandro Steinbach, and Xiting Zhuang. Carter is a Distinguished Professor of Agricultural and Resource Economics at UC Davis. His two coauthors are, respectively, an assistant professor and a Ph.D. student in the Department of Agricultural and Resource Economics at the University of Connecticut (rhymes with Yukon).

While their views slamming the competitiveness of the state's seaports are their own, the authors used TEU numbers supplied by PIERS and Bloomberg's World Container Index as the statistical grist for their model, whose basic premise is that fewer numbers of outbound loads should almost always result in reduced earnings for exporters.

That seems reasonable enough...if all you're doing is counting large metal boxes. As we shall see, there are many paths to the truth, and other, less crude ways of



measuring agricultural trade. But before disputing the authors' findings, let's hear their central claim.

"We found that container-ized agricultural exports from California ports were \$2.1 billion (or 17%) below their counterfactual level due to port congestion between May and September 2021.

...supply chain disruptions caused a 9% reduction in total TEU exports from May to September, compared with the total TEU exports for the same timeframe in the previous year. This adverse effect peaked in September when California's ports exported about 25,000 fewer containers filled with agricultural products than in May 2021, a 22% decline."

I have no idea why the months from May through September of last year should hold a special fascination for the authors. California farm exporters have been up in arms about maritime shipping issues for a much longer period than that. Apart from the possibility that there was some unused data laying around, it is unclear why these five months were picked. They are certainly not months that are representative of exporting during the full crop years of most of California's major farm export commodities.

A larger problem with the study's concern about last year's May-to-September drop in shipments through California ports is that the state's containerized agricultural export trade in September is nearly always below containerized agricultural exports in May. In only one other year since 2010 did September exports exceed shipments in May, and that was in 2020 as the COVID pandemic descended on the planet. Overall, since 2010, U.S. government data show that the value of containerized agricultural exports through California ports in September fell an average by 9.3% from May of the same year. To cite one germane example, since the 2014-2015 crop year, walnut export tonnage in September has averaged 56.3% of May's volume, according to figures from the California Walnut Board. So while the headline-grabbing fall-off slope the authors identify may have been unusually steep, it was by no means unusual.

The methodology mystery deepens with the study's contention that California tree nut producers came up short by a shade over a half-billion dollars. For the record, the Agricultural Issues Center at UC Davis collects the

state's agricultural trade data on behalf of the California Department of Food and Agriculture. In its latest report, AIC ranks almonds and pistachios as the state's two most valuable farm exports, with walnuts in fifth place behind dairy products and wine. So tree nut exports are a big business in California.

The study from the Departments of Agricultural and Resource Economics at UC Davis and UConn contends that the state's tree nut exporters not only "lost about \$520 million in foreign sales" last year but that "the overall level of tree nut exports is lagging substantially behind the pre-congestion levels, including the 2018 or 2019 harvest-season export volumes, which points towards very significant export losses for this sector of California agriculture."

Come again? Are the authors arguing that pandemic-era port congestion not merely affected the state's tree nut export trade last year but also somehow reached back in time to thwart exports of tree nuts even before the pandemic arose? That's nuts.

But that's not all. The study's contentions about the trade in tree nuts through California seaports and that alleged \$520 million loss begs to be tested using readily available metrics other than sheer TEU tallies. I have two in mind. Both the Foreign Trade Division of the U.S. Census Bureau and the marketing organizations overseeing the almond, pistachio, and walnut industries are excellent sources of detailed and timely export statistics.

What insights might these data sources bring to bear in understanding the extent to which exports of California tree nuts through California's ports fell – if at all – in last year's May-September period?

Let's start with **Exhibit A**, which presents the relevant May-September export statistics for California's most valuable agricultural export, almonds. According to the California Almond Board, the marketing group that keeps pretty close tabs on almond production and shipments, exports of both shelled and inshell almonds last May to September totaled 767,573,331 pounds, an 18.1% bump over the same period the year before. Moreover, last year's exports from May through September were up 42.4% over the identical months in pre-pandemic 2019.

Moving on to pistachios, California's second most



Commentary Continued

valuable agricultural export, **Exhibit B** reveals the May-September pistachio export numbers as compiled by the Administrative Committee for Pistachios.

Exports of pistachios in last year's May-September period amounted to 191,667,870 pounds, just over double the volume that was exported a year earlier. Last year, pistachio export tonnage in May-September was even higher by 5.0% than in the May-September months in 2019. Virtually all pistachios in the U.S. are grown in California. They are typically shipped abroad in containers, mainly through the notoriously congested Ports of Los Angeles and Long Beach.

Finally, how about walnuts, the farm product ranked as California's fifth most valuable agricultural export? As a glance at **Exhibit C** reveals, walnut exports in May-September 2021 totaled 85,691 tons, an 18.3% gain over the same period a year earlier and a 41.1% improvement over the May-September months in 2019.

Just to remind readers: the new UC Davis/UConn study alleges that port congestion last year cost the state's tree nut exporters \$520 million in lost sales between May and September. That was definitely one of the study's headline-grabbing allegations. So it's very remarkable that, while a model built on the campuses of the University of California at Davis and the University of Connecticut at Storrs purportedly churned out a half-billion-dollar loss to California's tree nut exporters, a much different

Exhibit A California Almond Export Tonnage: May-September 2015-2021

Source: California Almond Board

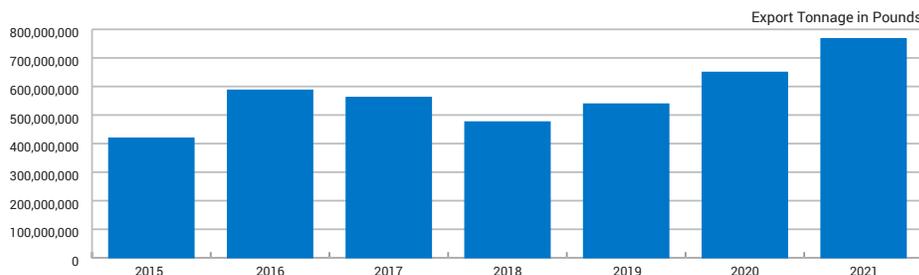


Exhibit B California Pistachio Export Tonnage: May-September 2015-2021

Source: Administrative Committee for Pistachios

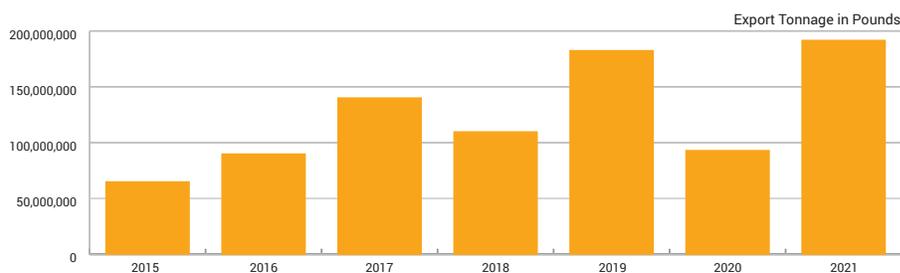
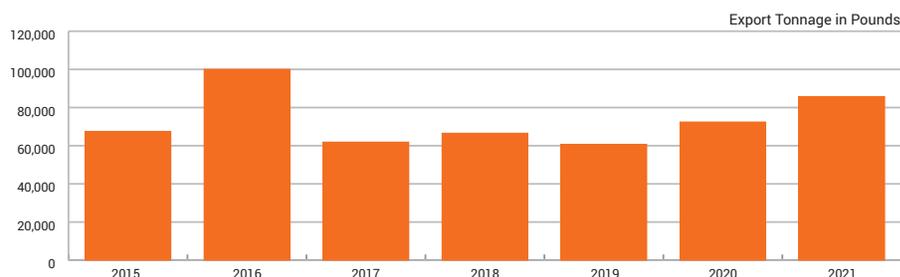


Exhibit C California Walnut Export Tonnage: May-September 2015-2021

Source: California Walnut Board





Commentary Continued

conclusion emerges from the export figures compiled by the tree nut industry's own marketing organizations.

Is there another voice to be heard in this discussion?

Yes, and it is a particularly authoritative voice. U.S. Customs and Border Protection and its predecessor agencies have been keeping tabs on imports and exports since 1789. For export shipments valued at more than \$2500, shippers must provide documentation to Customs that describes the contents of containers, their value, and their weight along with their destination and mode of transport. The raw data are then forwarded to the Foreign

Trade Division (FTD) of the Census Bureau, which is the official source of U.S. trade statistics.

Data from the FTD are especially useful because they can tell us how many metric tons of tree nuts were shipped in containers through California seaports in any given period. As a bonus, FTD can tell us the dollar value shippers assign to those exports.

So what do the numbers from the FTD indicate?

Exhibit D shows in metric tons the volume of containerized exports of California's three principal tree nuts during

Exhibit D California Tree Nut Exports in May-September in Recent Years

Source: Foreign Trade Division, U.S. Census Bureau

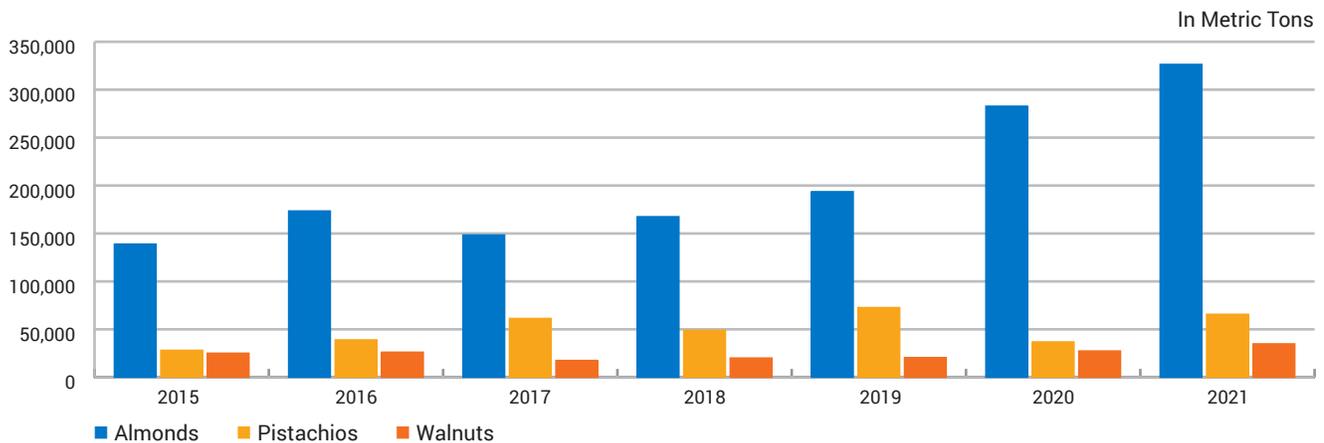
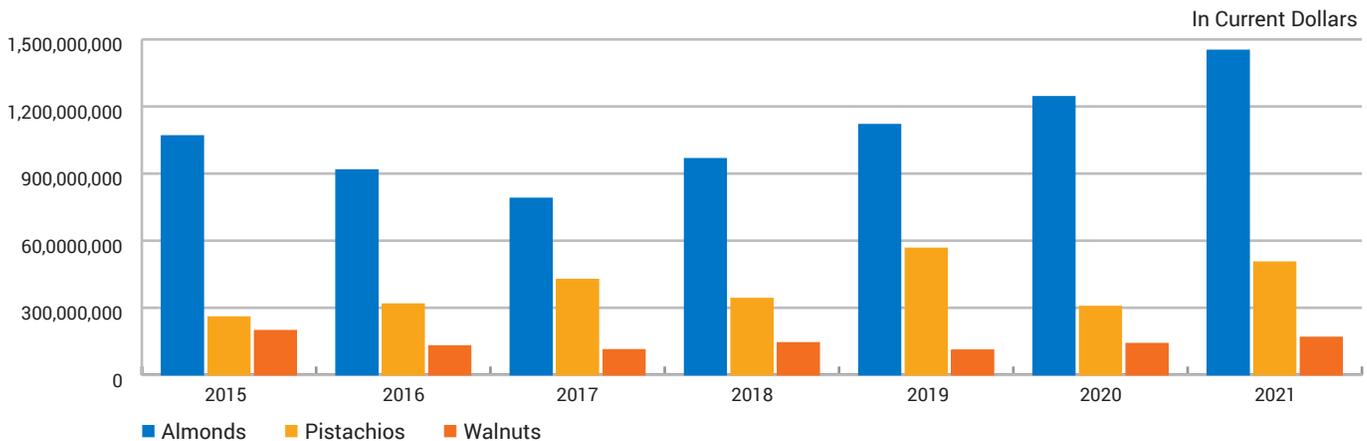


Exhibit E California Tree Nut Exports in May-September in Recent Years

Source: Foreign Trade Division, U.S. Census Bureau





Commentary Continued

recent May-September periods through California ports. Presumably, if these ports are gumming up the works, we shouldn't see robust growth. But growth is in fact what the numbers show.

And here's the parallel **Exhibit E** showing the declared value of those tree nut exports from May through September in recent years.

The Foreign Trade Division calculates that the declared value of tree nuts exports shipped in containers through California ports last May-September totaled \$2.12 billion, a 25.6% increase over the same period a year earlier. Yes, these are gubmint numbers, but they are numbers based on the values shippers ascribe to their outbound cargos. And, as we all know, farmers are no more likely to falsify the value of their exports than they are to lie on their federal tax returns.

So here we are with wildly different depictions of what happened over a five-month period last year. On the one hand, there is the UC claim that port congestion cost tree nut exporters \$520 million in lost sales last year. On the other hand, we have evidence of sharp year-over-year

increases in both export tonnage and declared value of tree nut exports last May-September as reported by the tree nut marketing groups as well as the federal government.

Are there any other parties weighing in on this matter? Well, as a matter of fact, there is this new study out of the University of California's Giannini Foundation. Yes, the same study we've been talking about found that 2,000 more TEUs full of tree nuts found their way through California's ports in May-September 2021 than in the same period a year earlier. The authors termed that a "slight" increase. Given the tribulations affecting the maritime supply chain and the charges farm exporters have been hurling at shipping lines, any increase at all might be regarded as something of a miracle.

And so, children, that's how a silk purse can become a sow's ear.

Disclaimer: The views expressed in Jock's commentaries are his own and may not reflect the positions of the Pacific Merchant Shipping Association.

That Sinking Feeling

By John McLaurin, President, Pacific Merchant Shipping Association

A lot has been written about the failure of the Queen Mary over the past fifty years. It is a story of unfulfilled promises, multiple bankruptcies, city auditor reports detailing unaccounted for public funds, multiple operators and a vessel/hotel that has bounced between the City and the Port, back to the City and now a proposal to give it back to the Port. The Queen Mary is indeed "iconic". It is also a failure and an example of poor public policy decision making. And now its ongoing failure may become the responsibility, once again, of the Port of Long Beach, at a cost of hundreds of millions of dollars.

When the City of Long Beach celebrated its 100th Anniversary, it commissioned a history of the Port. Published in 2015, the book (Port Town) detailed not only the history of the Port of Long Beach, but also included

the controversy surrounding the Queen Mary. Below are some excerpts from that book that look back fifty years ago – revealing a stunning consistency with the current situation of cost overruns, delays, controversy and failure. While the Port discusses the possible transfer of the Queen Mary from the City, the Port's own history would indicate a need for due diligence, caution and an honest assessment of such a transfer.

"The Queen Mary may have been greeted with wild acclamation when it arrived, but as the months drew on some began to see it as a larger-than-life symbol of what was wrong with Long Beach. The city bought the ship for \$3.45 million in 1967 and estimated it would cost \$5.5 million to convert it into a hotel-convention center-museum-tourist attraction. By 1970, the total cost had risen to \$57 million.



That Sinking Feeling Continued

As the bills mounted and the opening date kept being pushed back, public frustration grew.”

“The problematic process of restoring the Queen Mary had become a political time bomb. The longer the process went on, the more vulnerable the city was to criticism.

“Long Beach bought an old bucket, a rust bucket,” Los Angeles County Supervisor Kenneth Hahn declared in 1969. “It’s a monument to stupidity.”

“In 1971, State Legislative Analyst A. Alan Post called the project a “colossal mistake” based on a “capricious decision.” Post claimed the city had illegally spent \$6.6 million of tidelands funds on the Queen Mary to that date.”

“The Queen Mary had fallen sadly short of what Long Beach had envisioned when she first arrived in the harbor in 1967. Despite all of the optimism and hoopla about the new role for the aging ship, she turned out to be more of a money pit than an asset. The ship had been expensive to retrofit and expensive to maintain. The millions of dollars spent to present her in her best light did not translate to the millions of visitors that had been expected to flock to her decks. In 1978, the city had turned the money-losing historic liner over to the port.”

“In the meantime, the city and port were stuck with the ship. The purchase of the Queen Mary had been made in haste, and undoing that impulse purchase was proving to be much more difficult and costly.”

“And then there was the Queen Mary – perhaps the biggest buildup with the biggest letdown of all, a floating money pit that had been turned over to the port in order to cover its losses.”

If the transfer of the vessel takes place, the Port of Long Beach will be burdened with a cost that will impact its future success which also risks the economic future of the City as the Port is the economic driver of the City and the region. At a minimum, the Queen Mary faces approximately \$300 million in repairs, per a marine survey done seven years ago. Perhaps the Port will impose a Queen Mary container fee to pay the expenses of making the ill-fated vessel safe for tourists again.

The real discussion that needs to take place is to undertake a comprehensive and independent review of the Queen Mary and estimate the total amount for the cost to repair, restore and make the vessel and adjacent property into an attraction or hotel that brings visitors in sufficient numbers to pay for its ongoing operation and maintenance. If that estimate is an amount that is not reasonable or achievable, then those parts of the vessel that can be salvaged should be saved and the rest disposed of.

The Queen Mary has been operated and controlled by the City of Long Beach for over 50 years and has been directly operated by the City (twice), the Port of Long Beach, for-profit companies and non-profit organizations. The one thing that has been consistent through the years has been failure, mismanagement, cost overruns, unaccounted for public funds, repairs that cannot be documented, bankruptcies and the promise of success which has never materialized.

It is time for an honest assessment and to make difficult decisions. Simply transferring this failed project from one city department to another is not the solution.

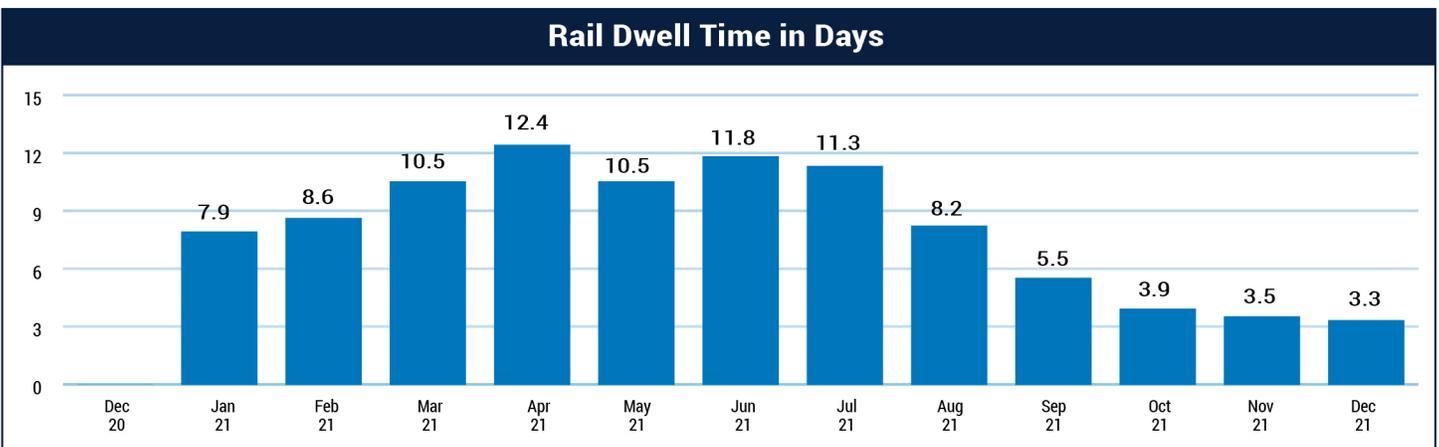
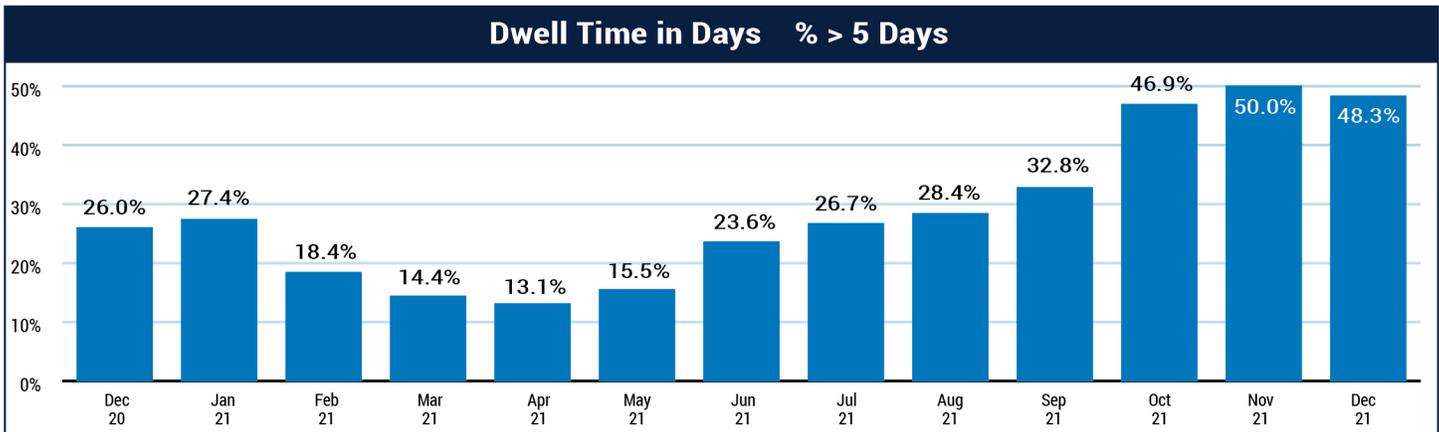
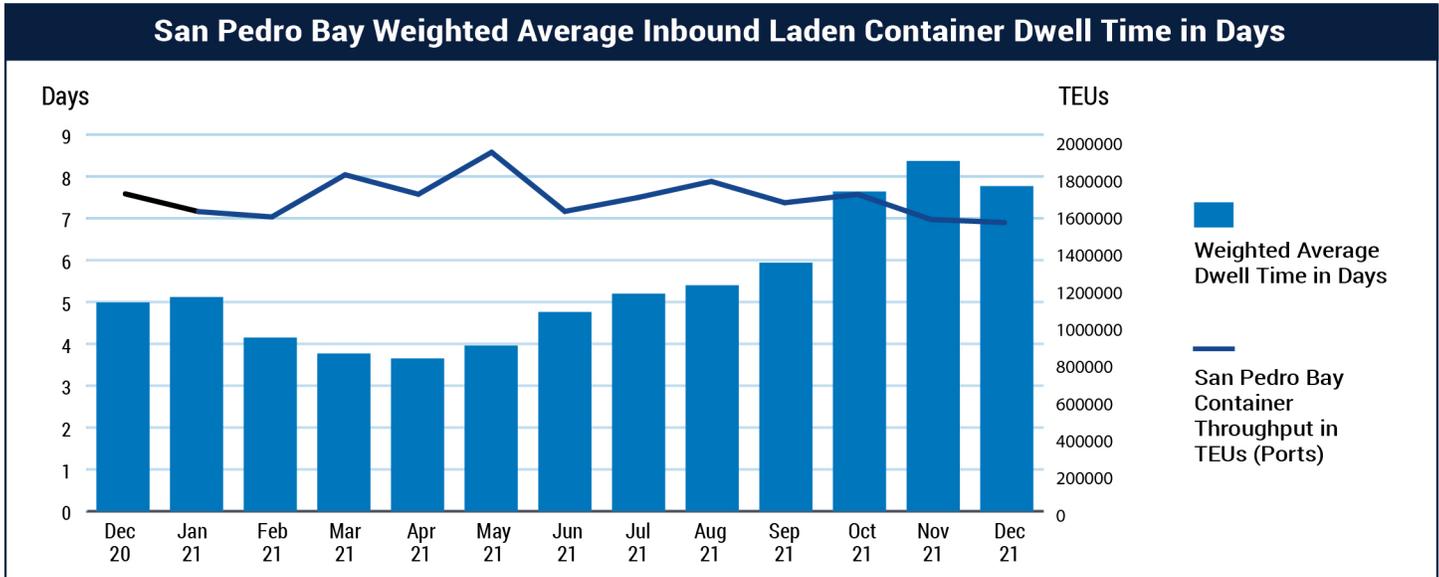
We Make Cargo Move



**The Port
OF HUENEME**



Import Dwell Time Is Down For December; Rail Dwell Time Is Down



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PUGET SOUND PILOTAGE DISTRICT ACTIVITY REPORT

Jan-2022

The Board of Pilotage Commissioners (BPC) requests the following information be provided to the BPC staff **no later than two working days prior to a BPC meeting** to give Commissioners ample time to review and prepare possible questions regarding the information provided.

ACTIVITY						
Total pilotage assignments:	570	Cancellations:	18			
Total ship moves:	552	Cont'r:	161	Tanker:	183	Genl/Bulk: 148 Other: 60
Assignments delayed due to unavailable rested pilot:	33	Total delay time:	230.25			
Billable Delays by customers:	60	Total delay time:	151			
2 pilot jobs:	30	Reason:	PSP GUIDELINES FOR RESTRICTED WATERWAYS			
Day of week & date of highest number of assignment:	Monday 1/3					28
Day of week & date of lowest number of assignments	Saturday 1/1					6
Total number of pilot repositions:	94	Upgrade trips	8	YTD	8	
3 consecutive night assignments:	33	YTD	33			

Callback Days/Comp Days					
	Starting Total	Call Backs (+)	Used (-)	Burned (-)	Ending Total
Licensed	2522	86	75		2533
Unlicensed	234			17	217
Total	2756				2750

Pilots Out of Regular Dispatch Rotation (pilot not available for dispatch during "regular" rotation)

A. Training & Continuing Education Programs					
Start Dt	End Dt	City	Facility	Program Description	Pilot Attendees
29-Jan	31-Jan	Covington, LA	MPI	Manned Model Shiphandling	BOZ, MIL

B. Board, Committee & Key Government Meetings (BPC, PSP, USCG, USACE, Port & similar)					
Start Dt	End Dt	City	Group	Meeting Description	Pilot Attendees
3-Jan	3-Jan	Seattle	PSP	President	COL
4-Jan	16-Jan	Seattle	PSP	President	KLA
4-Jan	4-Jan	Seattle	PSP	BOD	ANA, COL, COR, GRD, GRK, KLA, MYE, NEV
4-Jan	4-Jan	Seattle	PSP	Pilot Safety	ANA, SCR
5-Jan	5-Jan	Seattle	PSP	UTC	KLA
6-Jan	6-Jan	Seattle	USCG	USCG	BOU, COL, KLA

10-Jan	10-Jan	Seattle	PSP	NWSA	BOU, LOB
17-Jan	17-Jan	Seattle	PSP	Administrative	KLA
18-Jan	18-Jan	Seattle	PSP	Dispatch	CAI, KLA
19-Jan	19-Jan	Seattle	BPC	TEC	ANT, BEN, SCR
20-Jan	20-Jan	Seattle	BPC	BPC	ANT, BEN
24-Jan	14-Jan	Seattle	PSP	Harbor Safety	BOU
25-Jan	28-Jan	Seattle	PSP	Schedule	HAM, KNU, ROU
25-Jan	25-Jan	Seattle	PSP	Pension	ANA, GRD, GRK, HUP
27-Jan	27-Jan	Seattle	BPC	Trainee Orientation	ANT, BEN
31-Jan	31-Jan	Seattle	PSP	Schedule	HAM, KNU, ROU

C. Other (i.e. injury, not-fit-for-duty status, earned time off, COVID risk)

Start Dt	End Dt	REASON	PILOT
1-Jan	31-Jan	NFFD	HUP, THG
2-Jan	31-Jan	NFFD	SID
3-Jan	7-Jan	ETO	CAI
4-Jan	11-Jan	ETO	HAM, LOB. MIL, NIN
4-Jan	31-Jan	NFFD	KNU
10-Jan	15-Jan	ETO	CAI
11-Jan	17-Jan	COVID risk	HED
18-Jan	25-Jan	ETO	BUJ, GRK, SID, VON
18-Jan	24-Jan	COVID risk	HAM
21-Jan	25-Jan	COVID risk	SCR

Presentations

If requesting to make a presentation, provide a brief explanation of the subject, the requested amount of

- 🕒 *Presentations may be deferred if prior arrangements have not been made.*
- 🕒 *The Board may also defer taking action on issues being presented with less than 1 week notice prior to a schedule Board Meeting to allow adequate time for the Commissioners and the public to review and prepare for discussion.*

**State of Washington
Pilotage Commission
February 17, 2022**

Grays Harbor District Report

There were 4 arrivals in January for a total of 11 jobs. For January, 140,789 MT of soy bean meal and 5,013 MT of liquid bulk went across the Port's docks. In addition, we had 1 log barge and 2 wood chip barges. There are 4 vessels scheduled for February, 3 dry bulk, 1 liquid bulk and 1 log barge.

Projects

Dredging is complete at Terminal 2 and is in progress at Terminal 4 and then Terminal 1 is next. All dredging will have to be done by February 15, 2022.

Technicians from NC Power Systems completed the cylinder liner repairs on the port engine of the VEGA on January 21. The Pilot Boat Crew ran the VEGA for a three-hour sea trial before the technicians left. They ran it again without any problems and are planning additional underway time to get familiar with the boat.

AGP

Dry bulk customer AGP announced its plan to build a state-of-the-art soybean processing plant near David City, Nebraska. This new facility will have the capacity to process over 50 million bushels of soybeans per year. AGP also believes the new David City location will improve the Company's ability to market soybean meal to the Pacific Rim through the dry bulk facility at the Port of Grays Harbor. AGP expects the plant to be operational in 2025.

USACE

There is a very healthy budget for Corps work on the GH District for FY2023. They will begin the rehab of the North Jetty as well as begin to attack deferred maintenance in the channel in addition to normal channel and turning basin maintenance.

Pilot Training

Pilot Trainee Ryan Leo began his training program on February 1, 2022. So far, he has made all the trips that have been available as well as completed the initial helicopter training in Astoria, Oregon. He has also been in touch with the USCG Sector Portland in regards to federal pilotage.



**STATE OF WASHINGTON
BOARD OF PILOTAGE COMMISSIONERS**

STATEMENT OF POLICY

REGARDING: Trips Required for Maximum Monthly Stipend in the Puget Sound Pilotage District

It is the policy of the Board of Pilotage Commissioners that the trip requirements required for trainees to receive a stipend in the Puget Sound Pilotage District should reflect opportunities to take such trips, so that trainees are not penalized with a reduced stipend for factors outside of their control. The Board intends to revisit WAC 363-116-078, which establishes the number of trips required to receive the minimum and maximum training stipend, taking into account factors such as traffic availability and the rest rules.

Good Afternoon,

The Board of Pilotage Commissioners is initiating rulemaking to amend WAC 363-116-081 Rest Period. This WAC establishes rest period requirements for pilots and pilot trainees in the Puget Sound and Grays Harbor Pilotage Districts in accordance with Chapter 88.16. RCW, Pilotage Act.

This rulemaking will amend the type of pilotage assignments subject to the requirement for ten hours rest with the opportunity for eight hours of sleep after completion of an assignment.

Background:

Puget Sound Pilots (PSP) recently implement several measures to increase dispatching efficiency and pilot availability while observing state mandated rest rules. One of those measures is to allow a pilot to be dispatched to multiple assignments as long as the combined duration of the assignments does not exceed thirteen hours.

This rulemaking initiative is to codify that change.

BPC's Rulemaking Phases:

1. Pre-proposal Statement of Inquiry (CR-101 form) filing with the Office of the Code Reviser. This form states the intent of the agency to adopt administrative rules and the purpose of those rules. The CR-101 form is published in the Washington State Register and announces the start of the rulemaking process.
2. Notice of Proposed Rule Making (CR-102 form) filing with the Office of the Code Reviser, which is published in the Washington State Register and contains the formal proposed rule language. The CR-102 form also provides some background information on the proposal. This filing opens the formal comment period during which BPC will hold at least one public hearing and the public is able to submit comments to the agency.
3. Rule-Making Order (CR-103 form) announcing the rule adoption with an effective date typically 31 days after filing.

Rulemaking documents can be found at <https://pilotage.wa.gov/rcw-wac.html>.

Proposed Rulemaking Timeline:

February 12, 2022	Rulemaking announcement (CR-101 filing)
March 17, 2022	Board Meeting and consideration of proposed language
April 2022 (anticipated)	Rule proposal - start of the comment period (CR-102 Filing)
May 2022 (anticipated)	Rule adoption (CR-103 Filing)
June 2022 (typically 31 days after filing the CR-103)	Rule effective date

If you have questions about the rulemaking, contact Jaimie Bever at BeverJ@wsdot.wa.gov or (206) 515-3887

More information about the rulemaking will be posted on our website:

<https://pilotage.wa.gov/rcw-wac.html>

To request an ADA accommodation, contact BPC by phone at (206) 515-3904 or email at

HamelJ@wsdot.wa.gov.

DRAFT



STATE OF WASHINGTON
BOARD OF PILOTAGE COMMISSIONERS

2901 Third Avenue, Suite 500 | Seattle, Washington 98121 | (206) 515-3904 | www.pilotage.wa.gov

Meeting Minutes – Pilot Safety Committee (PSC)

January 4, 2022 1:00pm to 3:00pm

Attendees

John Scragg (BPC/PSP), Andrew Drennen (BPC), Sheri Tonn (BPC), Jaimie Bever (BPC), Eleanor Kirtley (BPC); Scott Anacker (PSP), Mike Folkers (PGH), Mike Moore (PMSA), Bettina Maki (BPC)

1. Review of Minutes of previous meeting on October 25, 2021

An incorrect attachment of the draft minutes was accidentally sent to the committee with the meeting materials. The correct version was only sent shortly before the meeting and the committee members agreed to review it after the meeting and email Bettina with any corrections. The minutes were approved with small corrections and clarifications.

There was a related discussion about meeting minutes and whether they are including sufficient and appropriate amount of detail to document the committee's work and decision-making. Jaimie Bever compared the Pilot Safety Committee to the Oil Transportation Safety Committee – both do work that involves rulemaking that needs to be adequately documented to allow the Board members to understand the work and ask meaningful questions. The consensus of the committee was that the minutes are capturing the right amount of detail.

It was suggested that a new agenda item be routinely included, as some of the other committees do, where the committee takes a few minutes as a group to organize the committee report for the next board meeting and not just leave that task for the co-chairs. The consensus of the committee was that this would be helpful.

2. Review of Committee Charter

It is a requirement that the committee charter be periodically reviewed. At this time particular attention was paid to the role of the committee, in relation to the board, the pilot association, and the RCWs and WACs that regulate pilotage in Washington.

Mike Moore wanted to emphasize the efficiency aspect of the committee charter. Sheri Tonn shared that PSP has prepared an efficiency study and recommendations. Their report was not quite ready for today's Pilot Safety Committee meeting but will be presented at the upcoming Board meeting on January 20th, and there will be a need for the PSC to update some WAC language around the recommended dispatching changes.

Eleanor Kirtley noted that the charter refers to some 2020 deadlines that have been met and suggested that the charter should be updated.

3. COVID 19 Safety Concerns.

John Scragg reported that two pilots had tested positive for COVID recently, but were on their respite or on ETO and able to quarantine without affecting the number of available pilots.

Many pilots have received vaccine boosters. Ivan Carlson is gathering the exact number.

Trainees are being notified that they cannot enter the pilot station if they are not vaccinated. This is a clarification of trainee expectations. BPC is under the impression that all trainees are vaccinated, but PSP is sending a notice to the trainees in order to be very clear.

Bettina asked what we might expect if a significant number of pilots become unavailable due to illness or exposure. A brief discussion followed about the recently revised CDC quarantine recommendation of 5 days for asymptomatic people who test positive, reduced from 10 days. It is unlikely that it would be acceptable for a COVID positive pilot to board a ship (despite some ships allowing asymptomatic mariners to continue working). In the event of a pilot shortage there will be delays.

4. Pilot ladder incident in Long Beach / Ongoing pilot ladder safety initiatives

There was a discussion of a recent incident in another district on the COSCO ROSE – when the pilot stepped up to the pilot platform and turned to go down the pilot ladder, the entire platform detached from the deck and fell out of the side hatch causing the pilot to fall about 20 feet into the water. Amazingly, the pilot was not injured by the falling platform, and was safely retrieved from the water. This incident serves as a reminder of the importance of pilot ladder safety efforts. John Scragg shared that on a ship recently with the same type of platform he was very careful to check that it was secured properly, highlighting the educational value of sharing information about incidents like this.

Mike Moore and Scott Anacker both emphasized the necessity of repeating the pilot ladder safety message over and over again and making sure it reaches the vessel masters and agents. Scott also noted the variation among crews -- some are more professional and well-trained than others. Andrew Drennen acknowledged this as well, but he also shared that the Oil Companies International Marine Forum (OCIMF) implementation this year of SIRE 2.0 vessel inspection regime includes attention to pilot ladder safety and that failure to pass SIRE will prevent a tanker vessel from operating. Andrew asked if Port State Control might prevent a vessel with pilot ladder safety issues from entering Puget Sound.

John Scragg felt that continued issuance of safety bulletins highlighting documented instances of noncompliant pilot ladders will be helpful by continuing to raise awareness. Scott Anacker added that the development of an illustrated trifold document to help pilots visually explain noncompliance issues will also be helpful.

5. Reporting form for dangerous ladders / Joint statement of West Coast Pilots

Scott Anacker shared that the dangerous ladder reporting form developed by PSP has now been successfully transformed to an electronic form that is easily completed on mobile devices using the “Jotform” platform. This ease of use encourages greater reporting of ladder issues. Puget Sound Pilots recommends other districts use this process. The reports are forwarded from PSP to BPC and will be reviewed in Pilot Safety Committee meetings. The Committee will pass that information along to the Board and the Board can weigh in on additional action as needed.

Additionally, the West Coast Pilots Association has put forth a joint statement (all 13 west coast districts) on pilot ladder safety standards. This was initiated in response to an industry request for clarification and was completed surprisingly quickly. It also serves as an educational reminder to pilots that noncompliant transfer arrangements should be documented.

6. Update on adding second pilot to loaded bulkers outbound from Tacoma, if night assignment

Only a small amount of anecdotal data is available at this time. A review after 6 months is planned. The committee members suggested that the review should monitor number of instances of second pilot being added, whether any vessels go to anchor to get a daytime trip and not require a second pilot, and the duration of the assignments (expected to show a drop in the number of overly long assignments). There was brief discussion about impact to callbacks but John Scragg explained that it is extremely complex to determine the exact cause of any given callback, because the causes are multiple and intertwined. The committee agreed that callbacks won't be a meaningful metric.

7. Wrap-up/Meeting Schedule Review/Next Meeting

- It was felt that it will be helpful to meet soon after the Pilots' presentation on efficiency measures at the January 20th Board meeting, so that the Committee can begin work quickly on any necessary WAC changes, being careful to avoid unintended consequences when making changes to the WAC language.
- Everyone who was present checked their calendars and determined they would all be available to meet on February 9th.
- Rest rule exceptions will be reviewed at the next meeting.
- The group discussed what information about today's meeting would be most valuable to the commissioners at the next Board meeting (in Andrew Drennen's committee report).

The meeting was adjourned at 2:30pm



STATE OF WASHINGTON
BOARD OF PILOTAGE COMMISSIONERS

2901 Third Avenue, Suite 500 | Seattle, Washington 98121 | (206) 515-3904 | www.pilotage.wa.gov

Meeting Minutes – Vessel Exemption Committee (VEC)

December 15, 2021, 10 am to 12 pm

Present: Captain Mike Anthony (PSP, BPC Commissioner, VEC Chair), Captain Travis McGrath (PSP), Captain Charlie Johnson (Large Vessel Operator), Nhi Irwin (Ecology BPC Commissioner), Timothy Farrell (BPC Commissioner), Monique Webber (Pacific Yacht Management), Jolene Hamel (BPC Staff), and Jaimie Bever (BPC Staff)

Absent: Captain Mike Ross (BPC Commissioner)

1. Review of Minutes of previous meeting on 11/10/2021

There were no recommendations of changes to the previous meeting minutes and were approved for distribution at the next board meeting.

2. Updates since Last Meeting

Captain Anthony reported that the 3 Captains – Captains Anthony, McGrath and Johnson, have met separately to dig in deeper with the baseline recommendations. While each has their own point of view, they had consensus for the recommendations that they are presenting today. In addition to those recommendations, they are also planning for the orientation checklist for each area to be revamped and will include chartlets and other needed information. Discussion and follow up questions specific to Deception Pass, Ballard Locks and the Duwamish Waterways ensued.

3. License Level v Vessel Size Issue

After some discussion, it was clear that this is a topic that the committee is still struggling with, and no easy answer in sight. The current strategy, leaning on verbiage in the vessel insurance documents, may not serve the VEC's needs. Commissioner Farrell urged the committee to be proactive on finding a solution. Travis volunteered to research this topic further and find out how other districts have resolved the issue.

4. Advertising and Outreach to Audiences

Monique described the social media and hashtag campaign strategies that she has shared with BPC staff. She reminded everyone that the more that you post the higher you will list and the better odds that it will be seen. Her company utilizes an app that allows them to load a month of content at a time, which is available for a small monthly fee. Nhi inquired if either WSF or WSDOT (both of whom have very active and robust social media campaigns) could support the BPC's social media efforts.

5. Resumed Work on Previously Established Goals

At the November meeting, the committee focused on goals #1-7. Work on the remaining goals resumed:

- #8 Fee Structure – Established as a long-term goal and awaiting some further research. Chair Anthony asked if either Commissioners Farrell or Ross would want to take on the fee structure as he decided that as a state-licensed pilot he wanted to recuse himself from making state fee recommendations. Commissioner Farrell agreed to volunteer.
- #9 Establish standards for changes (vessel vs. captain) - This has been addressed in multiple ways and work is underway on updating the application to reflect these changes. Monique suggested adding spaces for 2 captains on the application. Travis suggested some of the language that PPA currently uses and will forward Jolene the verbiage.
- #10 Establish Protocols for Local Areas of Concern - Chair Anthony worked on updating standards for familiarization packets for these areas. Commissioner Farrell asked if San Juans needed to be added to the current list of concern areas. Chair Anthony will work on a familiarization packet that includes Cattle Pass and covers the San Juan Islands.
- #11 “Open Letter to Yacht Owners” – The committee decided to wait until the end of the process and produce a cover letter with bullet points of changes for 2022. The goal is to be as transparent, informative and cooperative throughout this process as possible. There was some discussion on who the appropriate audience for such a letter is and how best to reach them.
- #12/13 Research British Columbia’s Pilotage Exemption Program – It is unclear if this model could be an option in Puget Sound, particularly in light of mixed reviews and word that they may be disbanding their current program. Monique however suggested that Jaimie contact PPA’s director and have a frank discussion of their program to see if anything can be learned or replicated. Chair Anthony asked to be included on that call.
- #14 HB1107 Passenger Vessel – Neither PSP nor BPC was aware of this bill prior to its passing. Monique shared that there were some final edits that no one in the maritime industry was aware of related to tax laws. She also stated that there will not be any Foreign Flagged vessels ready for charter prior to 2023. The group discussed what, if any, changes may be needed in the exemption application to address this. The VEC will continue to monitor this situation.
- #15 Confidentiality of Exemption Applications – The VEC has previously discussed how the BPC protects confidential information. However, the question arose if the Exemption Application would be subject to a public records request. This is a follow up question for our legal counsel, Albert Wang. Additionally, the committee would like further information from him regarding enforcement mechanisms, both current and what latitude the BPC has for the future.

6. Wrap-up/Next Steps/Next Meeting

The following tasks were assigned:

- Travis/Chair Anthony – Work on Familiarization packet.
- Jaimie/Chair Anthony – Meet with Pacific Pilotage Authority to ascertain success and failures in their current exemption model.
- Commissioner Farrell – Research fee structure.
- Travis – Research other districts in regards to tonnage/license.
- Follow up questions to Albert for legal opinion.

Targeting the week of 1/24 for potential next meeting. Jolene to send a doodle poll for best time.

The meeting was adjourned at 12:00 pm.